

HANDAL RESOURCES BERHAD
(Company No. 816839-X)
(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED AT THE TENTH ANNUAL GENERAL MEETING (AGM) OF THE COMPANY HELD AT LOT PT 7358 KAWASAN PER INDUSTRIAN TELUK KALONG, MUKIM TELUK KALONG, 24007 KEMAMAN, TERENGGANU DARUL IMAN ON WEDNESDAY, 23RD MAY 2018 AT 10.00 A.M.

At the Tenth AGM of the Company held on 23rd May 2018, all the resolutions as set out in the Notice of the Tenth AGM dated 25 April 2018, were duly passed by way of poll by the shareholders and proxies present thereat.

Set forth below are the questions raised by shareholders/proxy holders, which were adequately responded and addressed by the Chairman (EC), Dato' Mohsin Bin Halim and Group Managing Director & Chief Executive Officer (GMD & CEO), Encik Mallek Rizal Bin Mohsin.

Agenda 1 - Audited Financial Statements For The Financial Year Ended 31 December 2017 And The Reports Of Directors And Auditors Thereon

1. Whether the Company will have any liquidity issues as the Financial Statements reflected a negative cash flow.

Response

Encik Mallek replied that one of the main reasons is the slow payment by one of its clients. Subsequently payment has been received in the 2nd quarter of this year and the cash flow will be regularized.

2. How the Board foresees the Company moving ahead in year 2018.

Response

The Chairman, Dato' Mohsin replied that the loss situation may carry on for a little while. Much depended on performance of the oil/gas industry; however with the current uptrend, he is confident that the Company will be back on track.

3. How the recent acquisition of 51% shareholdings of Handal Simflexi Sdn Bhd will affect the 'top/bottom line' on the earnings of the Company.

Response

Encik Mallek replied that contribution from this investment will be reflected in the 2nd quarter of this year.

4. How the collaboration with Harbin Jingwei Advanced Composite Material and Engineering Corporation [a subsidiary of Shanghai EB Pipeline Engineering Ltd] will contribute to the earnings of the Company.

Response

Encik Mallek replied that Harbin Jingwei is a company involved in the business of advanced high performance composite material. This is a new product line and will contribute to the income stream of the Company and will change the 'landscape' of the Group's bottom line.

For the rest of the items on the Agenda, there were no questions raised by the shareholders and proxies at the Tenth AGM of the Company.